



UNITED STATES DEPARTMENT OF EDUCATION

Federal Student Aid

TO: Secretary Rod Paige
U.S. Secretary of Education

FROM: Terri Shaw
Chief Operating Officer

RE: FSA Weekly Report

DATE: April 26, 2004

THE WEEK AHEAD

Coalition of State University Aid Administrators (COSUAA): From April 26-27, Terri Shaw and members of the FSA Management Council will speak at the 2004 COSUAA Annual Conference.

Wisconsin Association of Student Financial Aid Administrators Conference: From April 28-30, FSA representatives will be making presentations at the Wisconsin Association of Student Financial Aid Administrators Conference.

Oregon Cosmetology Association: On April 26, FSA representatives will be making presentations at the Oregon Cosmetology Association Conference.

Fundamentals of Title IV Aid: This week, FSA representatives will conduct Fundamentals of Title IV Aid Training for the Student Aid community at the Washington and New York Regional Training facilities.

FSA IN THE FIELD

Mid-Atlantic Region 2 and 3 Private Career Colleges Conference: On April 21, Terri Shaw joined Assistant Secretary for Postsecondary Education Sally Stroup at the Mid-Atlantic Region 2 and 3 Private Career Colleges Conference's Federal Student Aid Continental Breakfast in Philadelphia. Additional FSA representatives were also in attendance and made presentations.

Mid-Eastern Association of Educational Opportunity Program Personnel (MEAEOPP): On April 19, FSA representatives gave a presentation on Federal student aid and student loan default prevention at the 28th Annual MEAEOPP Conference.

South Carolina Association of Student Financial Aid Administrators Conference: From April 18-21, FSA representatives gave presentations at the South Carolina Association of Student Financial Aid Administrators Conference.

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Illinois Association of Financial Aid Administrators Conference: From April 18-20, FSA representatives gave presentations at the Illinois Association of Financial Aid Administrators Conference.

Tennessee Association of Student Financial Aid Administrators Conference: From April 19-21, FSA representatives gave presentations at the Tennessee Association of Student Financial Aid Administrators Conference.

Colorado Association of Administrators of Student Loan and Accounts Receivables Conference: From April 22-23, FSA representatives gave presentations at the Colorado Association of Administrators of Student Loan and Accounts Receivables Conference.

OPERATIONAL METRICS

Application Activities through April 19, 2004: The Central Processing System (CPS) has processed 5.60 million applications for the 2004-05 cycle, a 5% increase over the 2003-04 cycle.

Program Disbursements: Through the week ending April 17, annual Pell and Direct Loan disbursements reached \$11.6 billion and \$10.9 billion respectively for the 2003-04 academic year. Through the week ending April 20, annual FFEL disbursements reached \$25.8 billion for the 2003-04 academic year. Through March, annual Direct Consolidation Loan disbursements reached \$3.28 billion.

Direct Loan (DL) Servicing: As of March 31, FSA was servicing 17.4 million DL accounts (a 2.3% increase over last year) with a total portfolio value of \$83.1 billion (a 3.3% increase over last year) representing 6.5 million borrowers (a 3.5% increase over last year).

Consolidation Activity through March 31, 2004: Year to date, student loan consolidations from the Direct Loan program into the Direct Loan Consolidation program totaled 1.5 billion, a 6.9% decrease over last year. Consolidations from the FFEL program into the Direct Loan Consolidation program totaled 1.7 billion, a 3.2% decrease over last year. Consolidations from the Direct Loan Program into the FFEL program totaled \$4.8 billion, a 22.5% increase over last year.

Total Default Recoveries: Through April 16, total FSA Default Recoveries for FY04 reached \$951 million, an increase of 17% from this time last year. Total non-consolidation recoveries reached \$835 million, an increase of 29%. Combined Recoveries from our private collection agency efforts have reached \$612 million, up 25% over the same period in FY03.

1-800-4-FED-AID through April 17, 2004: Year to date, the Federal Student Aid Information Center (FSAIC) has received 2.58 million calls, a 10% decrease over last year. Service levels have increased with 98.7% of calls completed, a .2% increase over last year. The average speed to answer decreased by 18% over last year to 9.8 seconds.

Direct Loan Servicing Call Center Phone Activity through April 16, 2004: Year to date, the Direct Loan Servicing Centers received 1.9 million calls to the Interactive Voice Response System, a decrease of 6% from 2003. Of those calls received, Borrower Services representatives

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handled 1.4 million calls, a decrease of 8% from 2003. The average speed of answer was 5.0 seconds, a decrease of 18% from 2003. The resolve rate for the Voice Response System was 28%, an increase of 5% from 2003. The Abandoned Call Rate was 0.23%, a decrease of 9% from 2003.

FAFSA on the Web: On April 22, FSA received the 4.5 millionth FAFSA on the Web Application, six weeks earlier than last year.

Customer Service Call Center Statistics: For the week ending April 17, the Customer Service Call Center received 377 inquiries and posted six items to IFAP.

Information for Financial Aid Professionals (IFAP) Web site Usage: For the week ending April 17, www.ifap.ed.gov received 63,829 visits or 2.0 million hits. From February to March 2004, the number of IFAP subscriptions more than doubled from 97 to 203 -- that's an increase of 109.3%! IFAP subscribers receive e-mail notifications of new postings to IFAP.

Schools Portal Usage: For the week ending April 17, www.fsa4schools.ed.gov received 13,375 visits or 1.2 million hits.

Financial Partners Portal: For the week ending April 16, 2004, the Financial Partners Portal received 68,164 hits and 2,830 visits.

KEY ISSUES

State Legislation Impacting Direct Loan Schools: New York schools may be forced by legislation to leave the Direct Loan Program and work with the Higher Education Services Corporation (HESC), the New York guaranty agency, in order to receive certain state funds. The 2004-2005 New York State Appropriations bill contains a proposal that would require SUNY and CUNY schools to enter into an agreement with HESC in order to receive a portion of their state funding. Other states, including New Jersey and California, are preparing or are considering legislation similar to New York's. As a result, FSA is providing presentations, when asked, on the benefits of the Direct Loan program.

Customer Service Satisfaction: In March, Direct Loan Consolidation set a record for customer service satisfaction recording a level of 99.54%. The score is derived from feedback obtained from live phone surveys conducted with customers and measures output management, customer service representative availability, knowledge accuracy, timeliness, completeness, overall product satisfaction, overall support satisfaction, and professionalism.

eLoans: On April 20, the eLoans partner agencies reviewed a draft strategy document for FY05 and beyond. The partner agency representatives concur with the strategy and will share it with their agency leadership for comment. On April 20, the ED eLoans team briefed Bill Leidinger on the proposed strategy.

GovLoans.gov: On April 19, the GovLoans Working Group completed User Acceptance Testing of the new GovLoans site and provided the findings to the Booz Allen development

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team. The team is on schedule to launch GovLoans to the public as an integrated part of GovBenefits on April 29, the date of GovBenefits' second anniversary.

ON THE HORIZON

Presentations at Regional and State Financial Aid Administrator Conferences: FSA representatives will be making presentations at the following state financial aid administrator conferences in the coming weeks:

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| May 5-7 | Minnesota Association of Financial Aid Administrators Conference |
| May 16-19 | Eastern Association of Student Financial Aid Administrators Conference |
| May 17-19 | Wyoming Association of Student Financial Aid Administrators Conference |
| May 18-21 | Georgia Association of Student Financial Aid Administrators Conference |
| May 19-21 | Ohio Association of Student Financial Aid Administrators Conference |

FSA in the Classroom: FSA representatives will be conducting training sessions at the following events in the coming weeks:

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| May 2-7 | Fundamentals of Title IV Aid in Seattle |
| May 3-7 | COD Processing and ED Websites |
| May 13 | Electronic Application Processing in Washington, DC |
| May 10-14 | Fundamentals of Title IV Aid in Dallas |

1st Annual Technology and Standards Conference: On May 3, Terri Shaw will give the Keynote Address at the 1st Annual Technology and Standards Conference in Crystal City, Virginia.

National Association of College Admissions Counselors (NACAC) College Fair: On May 5-6, FSA representatives will attend the NACAC College Fair in Edison, NJ.

National Association of State Student Grant and Aid Programs (NASSGAP) Spring Conference: From May 23-26, FSA representatives are scheduled to provide a LEAP/SLEAP program update at the NASSGAP Spring Conference in Washington, DC.

Private Career Colleges and Schools: From June 2-4, FSA representatives are scheduled to present a session on Default Management at the Region V Private Career Colleges and Schools Annual Summer Workshop.

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CONTACT INFORMATION

Please contact Chris Greene at 377-4003 with any questions.